
Transportation Committee

HB 2312

Brief Description: Providing funding and funding options for transportation projects.

Sponsors: Representatives Murray and Simpson.

Brief Summary of Bill

- Provides transportation funding for the transportation appropriations act.
- Increases motor vehicle and special fuel taxes 9.5 cents over four years.
- Creates the Transportation 2005 Account and the Freight Mobility Investment Account.
- A vehicle scale weight fee is established and the weight fee schedules are increased for vehicles under 10,000 pounds.
- Private use trailer registration fees are reduced from \$30 to \$15.
- Implements a annual motorhome vehicle weight fee of \$75.
- Identified Department of Licensing fees to cover the cost of providing the services are raised .

Hearing Date: 4/11/05

Staff: Jerry Long (786-7306).

Background:

The biennial transportation budget is supported by a variety of taxes and fees. The majority of statewide transportation revenue comes from a 28 cent per gallon tax on motor vehicle and special fuel tax, and license, permits and fees. A portion of the transportation revenue for example the motor fuel tax is restricted by the 18th amendment and must be deposited into the Motor Vehicle Fund. Monies in that fund may be spent only for highway purposes. Highway purposes include, highways, ferries, and policing of the highways, but excludes rail and transit.

Other transportation funding is not restricted by the 18th amendment. These funds are often referred to as "multimodal" or flexible funding, and these monies may be spent for any transportation purpose, including transit and rail.

Substitute Senate Bill 6814, enacted in 2002, requires the Department of Licensing (DOL) to conduct a biennial study comparing the fees it charges for services to the cost to the agency to provide the services. The study is to be submitted to the transportation committees of the Legislature in even years. The initial study, submitted in 2004, found that a number of fees are insufficient to cover DOL's cost of providing the services.

To support the proposed transportation funding plan, additional revenue is required.

Summary of Bill:

Part I - Fuel Taxes

Motor vehicle and special fuel taxes are raised 9.5 cents over four years. Beginning on July 1, 2005, the rate will increase from 28 cents to 31 cents (3 cents). On July 1, 2006, the rate will increase from 31 cents to 34 cents (3 cents), On July 1, 2007, the rate will increase from 34 cents to 36 cents (2 cents). On July 1, 2008, the rate will increase from 36 cents to 37.5 cents (1.5 cents).

The equivalent of $\frac{1}{2}$ cent from the first 3 cent increase and $\frac{1}{2}$ cent from the subsequent 3 cent increase will be distributed directly to cities and counties based on the distribution formula currently in statute. This distribution will continue on into perpetuity. All remaining proceeds will be distributed to the new Transportation 2005 Account created in the act. The account will retain 100 percent of its interest earnings.

Part II - Vehicle Weight Fees

A vehicle weight fee is established for passenger vehicles, based on the vehicle scale weight. There shall be collected annually for motor vehicles subject to the \$30 license fee except for motorhomes, a vehicle weight fee based on the vehicle scale weight. The vehicle scale weight fee will be that portion of the fee as reflected on the weight schedule set forth in the Combined Licensing Fee (CLF) weight schedule that is in excess of the existing \$30 licensing fee. The proceeds from these fees will be deposited into the Multimodal Transportation Account. Proceeds from the passenger vehicle weight fee must be used for transportation purposes and may not be used for the general support of state government.

- For vehicles weighing less than 4,000 or current registered for less than 4,000 gross vehicle weight, the CLF increases from \$30 to \$35 annually (a \$30 licensing fee plus a \$5 weight fee).
- For vehicles weighing less than 6,000 or current registered for less than 6,000 gross vehicle weight, the CLF increases from \$30 to \$45 annually (a \$30 licensing fee plus a \$15 weight fee).
- For vehicles weighing less than 8,000 or current registered for less than 8,000 gross vehicle weight, the CLF increases from \$30 to \$55 annually (a \$30 licensing fee plus a \$25 weight fee).
- On January 1, 2008 and on January 1, 2010, there is a increase of \$5 for vehicles under 10,000 pounds.

Each fiscal year on July 1st (from the increased truck combined licensing fees) the State Treasurer will deposit \$7.5 million in the newly created Freight Mobility Investment Account. The account will retain 100 percent of its interest earnings.

For private use trailers weighing less than 2,000 pounds scale weight, the registration fee is reduced from \$30 annually to \$15 annually.

Motorhomes will have a \$75 annual vehicle weight fee in addition to any existing registration and licensing fees. The motorhome weight fee is to be deposited into the Multimodal Transportation Account.

Part III - License Fees

Based on the 2003-2005 licensing fee study, the following Department of Licensing fees are raised:

- the reflectorized plate fee is raised from 50 cents to \$2;
- the reflectorized plate set fee is raised from \$2 to \$4;
- the fee for replacement plates is raised from \$3 to \$10;
- the fee for an original drivers license application is raised from \$10 to \$20;
- the fee for an identicard is raised from \$15 to \$20;
- the fee for a agricultural driver permit is raised from \$15 to \$20;
- the fee to get a driver's license reinstated after a non-alcohol related offense is raised from \$20 to \$75;
- the fee for a DUI hearing is raised from \$100 to \$200; and,
- the fee for an original or renewal of a commercial driver license is raised from \$20 to \$30.

Part IV - Miscellaneous Provisions

Technical correction on an existing statute that is no longer required.

Appropriation: None.

Fiscal Note: Requested on April 11, 2005.

Effective Date: There are several effective dates in the bill. Please refer to the bill.